



OFFICE OF THE CITY MANAGER

NO. LTC# 068-2015

LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: February 12, 2015

SUBJECT: BUDGET ADVISORY COMMITTEE MOTION

The Budget Advisory Committee amended its motion from December 2, 2014, and would like you to be aware of the attached motion regarding the composition of the City's pension boards approved at their February 10, 2015, committee meeting.

Attachment

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**City of Miami Beach
Budget Advisory Committee**

Meeting of February 10, 2015

Members Present: Jack Benveniste, John Gardiner, Dushan Koller, David Lancz, Julio Magrisso, Christopher Pace, Ronald Starkman, and Steven Zack

Members Absent: Brian Harris

Motion made by Ronald Starkman
Motion seconded by Stephen Zack

Background:

The City's employees have two pension boards: (1) General Employees Pension Board and (2) Police & Fire Pension Board. Both boards are responsible for investing approximately \$1.2 billion of the employee's pension funds. The boards are managed by a director, and advised by an investment consultant. An impact of just 1% due to any number of factors may result in a significant payment by the city. The current composition of both of the boards is representative employees and City-appointed employees. There are no board members who have any real and significant expertise in financial planning, investment management and/or investment advisory, which would likely require the participation by a volunteer citizen having such experience.

The City Manager appoints members to the General Employees Pension Board at his discretion and all current members are city employees, although there is not a requirement that the appointees be city employees. The Mayor appoints members to the Police & Fire Pension Board, and by ordinance the appointees must be city employees.

Motion Text:

The Budget Advisory Committee requests the Mayor and Commission change the current composition of both of the City's pension boards by requiring at least one of the appointments to be a person (whether employee or volunteer citizen) having adequate skill-sets in financial planning, investment management, and/or investment advisory.

- *In regards to the General Employees Pension Board, this would mean to direct the City Manager to appoint at least one board member having such experience (whether employee or volunteer citizen).*
- *In regards to the Police & Fire Pension Board, this would mean to amend the relevant ordinance to allow the mayor to appoint at least one board member having such experience and also to allow the mayor to appoint at least one non-city employee as a board member in order to have at least one appointee with such experience.*

The Budget Advisory Committee urges the Mayor and Commission to support the above request.

Motion Passage: Votes 8-0